

SECTION 4

NARRATIVE, BUDGET, AND WORKPLAN

This section provides specific questions and rating criteria that must be addressed in your application's narrative statements. More points will be given to applicants demonstrating measurable and quantifiable information with documentation that supports their claims.

If submitting an economic development application, it is strongly recommended that you contact Dan Riebli, CDBG Program Manager, to obtain additional details.

Dan Riebli, (360) 725-3017 or Danr@cted.wa.gov

All forms are available on our website: <http://www.cted.wa.gov/cdbg>. If you need an electronic form emailed to you call (360) 725-3019 or cdpsupport@cted.wa.gov.

SECTION 4-A. NARRATIVE INSTRUCTIONS

CDBG General Purpose Grants will be awarded to the projects that attain the highest comparative scores as determined by criteria that is outlined in the following narrative section. In order to receive funding, projects must demonstrate that they meet the following conditions:

- There is a compelling need for public assistance.
- A feasible technical solution to the problem or opportunity being addressed has been identified and agreed to by affected citizens, the local government, and the appropriate regulatory agencies.
- There is a clear and feasible plan for implementing the project and maintaining its operation into the foreseeable future.
- There is credible evidence that the results will be commensurate to the amount of public funds requested.

An applicant must demonstrate that all of these conditions have been met in order to be considered for funding. The best way to satisfy this requirement is to respond to the questions provided within each Narrative Statement: Need, Capacity, Readiness, and Results.

Your application narrative is one of the most critical parts of your CDBG application. Your narrative statements must tell the story of a project well enough to be compared to other General Purpose Grant applications. For this purpose, rating and scoring criteria is set forth and questions have been formulated to help an applicant attain the highest possible score for its proposal.

Responses to the questions provided by applicants will be rated using specific criteria that cover four parts or statements of a project application stating the: need for the project, capacity of the applicant to implement and support the project, readiness to proceed with implementation, and the results if funded. Taken together, these four statements form the basis of any good project – not just a CDBG project.

The application rating criteria are presented at the beginning of each statement or narrative section, followed by a list of questions. The questions relate directly to the criteria and are meant to clarify what specific information is needed in order for an application to be given a score. Inadequate or missing information will result in a lower score.

It is recommended an applicant use the questions as a guide to organize its information. The questions should not require the assistance of a professional grant writer. By working with the questions sequentially, it should be possible for an applicant to tell where its own project is strong (or weak) in terms of its overall development.

All applicants must provide answers to the General Purpose Grant questions within Section 4-B. The applicant's narrative response must include the following forms:

- **Completed Budget Forms**
- **Work Plan**
- **Operating Budget Form**
- **Contact List**

A maximum of 100 points will be assigned to each complete application. A score of 65 points or greater must be achieved in order to receive a General Purpose Grant. Points will be assigned to each applicant's narrative statement using the rating criteria that immediately precedes each of the four narrative statements. People whose names are provided on the application Contact List may be contacted to verify or provide additional information regarding an application. Experts may also be contacted to assist in the evaluation and rating of applications.

SECTION 4-B. NARRATIVE STATEMENTS

NEED Statement



Your “NEED” statement will be evaluated on a competitive basis against other projects (25 POINTS).

Your project will be compared to others based on:

- The clarity of the need - including whether it is substantiated with data and documentation, and the credibility of the documentation.
- A comparison of the relative hardship and the frequency of the identified need.
- Number and economic status of individuals affected by the need, including both the impact on the community at large and the impact on low- and moderate-income persons in particular.
- The level of urgency to address the need – including whether it has been ordered as part of a mandated corrective action.
- Estimation of what would happen if nothing were done.

Instructions

Describe the situation, taking care to answer ALL of the questions below. Be as clear as possible and back your statements with data and documentation.

1. What is the need/problem? Define the geographic area affected – Include a map of the jurisdiction and the service area for the proposed project.
2. Who is affected? Tell us the total number of people affected, how they are affected, and how often they are affected. What hardships are people facing as a result of the existing need?
3. Are LMI people affected more than non-LMI? If so, how?
4. Are there regulatory orders to address this need? If yes:
 - Describe what these orders are and the consequences if they are not addressed.
 - Complete the Contact List. Include the name, phone number, and e-mail address of the appropriate contact from any agency that has issued a compliance order related to your project.
5. Is this project a priority for the community? What was the process used to determine community priorities and the choice to select this project?
6. Explain what will happen if nothing is done.

CAPACITY Statement



Your “CAPACITY” statement will be evaluated on a competitive basis against other projects (25 POINTS).

Your project will be compared to others based on:

- Whether or not the jurisdiction (and subrecipient if applicable) has the organizational/financial capacity and authority to address the need on its own.
- Financial need – including whether the community is sufficiently contributing towards the project (given its capacity in terms of revenues, debt capacity, potential user fees, staff resources, leveraged funds, etc.).
- Past efforts and attempts to address the need.
- Capacity of the jurisdiction (or subrecipient) to operate and manage the project into the foreseeable future.

Instructions

Describe the situation taking care to answer ALL of the questions below. Be as clear as possible and back your statements with data and documentation.

1. How able is your community to meet this need on its own?
2. Describe past efforts to address this need.
3. What incremental steps could you take on your own without outside funding?
4. What immediate resources do you have at your disposal to contribute to the project (including staff, equipment, revenue)?
5. Do you have current unexpended CDBG program income from a prior year? If so, how much and what is it being used for?
6. Do you have staff capacity to manage this project? How will you keep the project on track? Explain the organization capacity of the responsible parties needed to implement and maintain your project.
7. If there will be a subrecipient:
 - Describe the relationship between the subrecipient and applicant and who will have responsibilities for: grant administration, procurement, oversight, environmental review, labor standards compliance, etc.
 - Attach the subrecipient’s last annual audited financial statement (including operating budget).
7. How will the community support the on-going operations and maintenance of the project for at least ten years?

READINESS Statement



Your “Readiness” statement will be evaluated on a competitive basis against other projects (25 POINTS).

Your project will be compared to others based on:

- Degree to which the proposed project is consistent with past planning efforts, or if not, the clear reason why.
- Certainty that the project as proposed is technically feasible, cost effective, and the most appropriate alternative.
- Whether or not the necessary relationships between the organizations needed to make the project work in the long-term are clearly established and appropriate.
- Documentation demonstrating strong agreement among all interested and affected parties that the project as proposed is necessary and appropriate.
- Extent to which all necessary financial and non-financial project participants are firmly committed and involved at the point of application.
- Evidence that the time between contract award and the point at which the public benefits will begin is minimal.
- Thoroughness and reasonableness of the Budget Assumptions and Budget Form.
- Completeness of the Work Plan narrative and Work Plan Form

Instructions

Describe the situation, taking care to answer ALL of the questions below. Be as clear as possible and back your statements with data and documentation.

1. Is the project identified in your comprehensive plans or other plans? List the plans and indicate whether the project is consistent with the recommendations within the planning documents.
2. Describe your proposed project/solution. Include a detailed list of all essential components.
3. What other technical options have been considered to address the need? Why is your proposed technical option the best?
4. If relevant, are regulatory agencies in agreement that the proposed solution is the right solution? Provide letters of agreement if available.
5. If site acquisition is part of the overall project, document that you have site control, such as with a sales and purchase agreement. If there is no site control, describe how and when a site will be secured.

6. What funding source options or project-phasing options have been considered? Why is your proposed financing option the best? List the funding sources that are committed. If not yet committed, when will you apply and when will funding decisions be made? Provide documentation of funds already committed.
7. Is the project ready to proceed? If not, what else must be done?
8. Complete the Budget Forms. In the Budget Narrative, provide assumptions supporting your numbers.
9. Complete the Work Plan Form. The Work Plan narrative should clarify the listed actions and provide additional details. At what point are you now?
10. Complete the Contact List. Include the name, phone number and e-mail address of the appropriate contact for each of the funding sources and/or project partners that you have submitted an application to or received a funding commitment from.

RESULTS Statement



Your “Results” statement will be evaluated on a competitive basis against other projects (25 POINTS).

Your project will be compared to others based on:

- Degree of certainty that the project will have the desired impact and will address the need in the way and to the level it was intended.
- Benefit of the project to persons and households that are both above and below the LMI level within the intended service area.
- Methods that will be used to measure results and how this information will be used and reported.
- Return on Investment - Degree of certainty that the project will produce outputs¹ and outcomes² that are commensurate with the amount of public resources provided and secured.

Instructions

Describe the project outputs and outcomes taking care to answer ALL of the questions below. Be as clear as possible and back your statements with data and documentation.

1. To what extent does the project address the specific needs identified in your “Need Statement”?
2. **How many** people will benefit? How many households will benefit?
3. How will this project make a **difference** in people’s lives?
4. What is the impact on rates, if applicable?
5. If funded, what performance measures will you use to evaluate project success?
6. Explain how the project’s expected outcomes and outputs are commensurate with the amount of CDBG funds being requested.
7. **IF THIS IS A COMMUNITY FACILITY PROJECT** (e.g. community center, senior center, health center, etc.) provide a “before and after” outlook of your current facilities, services and occupants and how this will change as a result of the project. Specify if new services and occupants are confirmed and include letters of commitment if available.

¹ **Outputs** = Things that you can count (quantity). For example, the number of people to be served by a project.

² **Outcomes** = How people will benefit from the project (quality). For example, what difference will the project make in an individual's life?

SECTION 4-C. CDBG BUDGET FORMS AND INSTRUCTIONS

This part of the General Application Instructions, Requirements, and Forms provides guidance for completing the CDBG Budget components:

- 1) CDBG Budget Assumptions
- 2) CDBG Project Budget Form
- 3) Operations Budget Form

All applicants **must** complete budget components 1 and 2. Component 3 must be completed for proposals containing public facility, public services, or community facility activities.

COMPONENT 1. THE BUDGET ASSUMPTIONS INSTRUCTIONS

The assumptions provide a description of how the budget was determined. It should include an explanation and a cost estimate for each line of the CDBG Project Budget Form, and the Operations Budget Form, if applicable. The budget assumptions provide detail for each source of funds, the corresponding dollar amount, and explain how the different sources will be utilized.

The assumptions should include the following:

- Explanation of why the budget is reasonable and appropriate, considering the scope, substance, and duration of the proposed project.
- State the assumptions that support line item calculations; be detailed and specific.
- Provide a brief description of any proposed purchase of equipment that would cost over \$300.

When addressing projects that include public facility or community facility activities, the budget assumptions should explain budget projections with source of funds, explain how the applicant will continue operating the facility, and provide services after the project is completed.

(This application package does not contain a sample budget assumptions format.)

APPLICANTS MUST PROVIDE THOROUGH BUDGET ASSUMPTIONS FOR EACH LINE ITEM.

COMPONENT 2: CDBG PROJECT BUDGET

Funding Status	Source 1	Source 2	Source 3	Total
	CDBG			
Are the sources committed?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
If not, date when commitment expected.				
Budget Elements				
General Administration (CDBG contract execution, files and record keeping, civil rights compliance)				
Project Administration (Project Manager, Consultant Fees)				
Environmental Review				
Architectural Fees				
Engineering Fees				
Acquisition/ Relocation				
Architectural Barrier Removal				
Housing Activities				
Water/sewer side connections				
Sewer Improvements				
Water Improvements				
Street Improvements				
Fire Protection				
Community Facilities				
Commercial/Industrial Facilities				
Revolving Loan Fund Program				
Public Services				
Planning				
Other:				
Total				

(Use a second copy of form if more than 3 funding sources)

COMPONENT 2: CDBG PROJECT BUDGET FORM INSTRUCTIONS

The CDBG Project Budget form is used to provide the total budget of the proposed CDBG project, and is divided between activity costs (such as General Administration, project administration, public facilities construction, or housing rehabilitation).

When determining costs for the Project Budget form, applicants should indicate only the level of funding needed to carry out the project. The grant request must be sufficient either by itself or included with other proposed funding sources to assure effective administration and completion of the proposed project within the contract period.

When completing the Project Budget form, list CDBG costs in the Source 1 column and estimated costs associated with other sources (as well as the name of the other source) in the Source 2 and Source 3 columns, as needed.

Funding Status- For each funding source, use first two lines in the corresponding column to indicate whether there is a firm funding commitment or, if not, when a firm commitment is expected.

General Administration- Grantees should carefully complete this line item. In addition to identifying administrative expenditures, it will serve as a guide for preparing the contract and for project monitoring in the event the proposal is funded. General Administration is distinct from Project Administration, which is defined on the next page.

If applying for CDBG administrative funds, applicants should keep in mind that grant recipients are expected to stay within this budget; administrative costs are not normally changed during the life of the project.

Eligible General Administration activities include:

- Review and execution of the CDBG contract
- Establishment of CDBG files and record keeping
- Compliance with civil rights activities including fair housing activities, Section 504, ADA, and Title VI
- Contract close-out activities

The General Administration line item does not include the administrative costs for project activities such as housing, economic development, community facilities, or public facilities. General Administration does not include any costs associated with the preparation of a CDBG application. ***The application preparation costs are ineligible under CDBG guidelines.*** Please contact CDBG Program staff if you have questions concerning administration costs.

All applicants must complete the administrative line item whether they are requesting CDBG funds for administration or not. General Administration costs can be covered through local or in-kind contributions.

Items to include when computing the General Administration line item include:

Personal Services - Compute all salaries, wages, and fringe benefits to be paid for General Administration of the grant.

Office Costs - Compute the costs of supplies. Include postage costs, telephones, equipment leasing costs, printing and publication costs, and office costs. Publishing fair housing resolutions can also be costly and should be considered when preparing the budget.

Professional Services - Compute consultant costs, legal costs, and audits costs. Generally, engineering and other technical services should be entered under engineering and other technical services line items.

Other - Applicants should take into consideration any other administrative costs or expenses that may be incurred prior to administrative closeout.

Enter total costs calculated for General Administration and enter under the General Administration line item.

Project Administration - Enter all costs which are directly related to project implementation and carrying out the CDBG project.

Eligible project administration activities include, but are not limited to:

- Conducting environmental reviews and preparing environmental review documents
- Attending grant management training workshops
- Processing payment vouchers
- Ensuring labor standards compliance
- The costs of processing applications for direct benefit projects and conducting inspections

Architectural Fees - Enter all costs associated with the use of an architectural firm.

Engineering Fees - Enter the total engineering costs associated with the project.

Acquisition - Enter total purchase price and include the appraisal costs in addition to any closing costs associated with the acquisition of property. Explain all costs listed in the budget assumptions.

Relocation - List all costs associated with relocation. If you are unsure if relocation is applicable, contact the CDBG Program staff.

Architectural Barrier Removal - Enter costs associated with removing architectural barriers to bring facilities into compliance with the Americans with Disabilities Act.

Housing Activities - Enter all costs associated with housing activities. If there are administrative, planning, architectural, or engineering costs directly associated with a specific listed housing activity, include those costs on the appropriate line item. Explain all housing activity costs in the budget assumptions.

Water/Sewer Side Connections - Enter costs associated with the replacement or construction of water or side service connections. This includes all work done on private property. If there are administrative, planning, architectural, or engineering costs directly associated with a specific activity, include those costs on the appropriate line item.

Sewer Improvements - Include all costs associated with construction or rehabilitation of the sewer system. If there are administrative, planning, architectural, or engineering costs directly associated with a specific activity, include those costs on the appropriate line item.

Water Improvements - Enter costs associated with construction or rehabilitation of the water system. If there are administrative, planning, architectural, or engineering costs directly associated with a specific activity, include those costs on the appropriate line item.

Street Improvements - Enter costs associated with construction or rehabilitation of streets. If there are administrative, planning, architectural, or engineering costs directly associated with a specific activity, include those costs on the appropriate line item.

Fire Protection - List all costs associated with fire protection such as fire protection equipment or fire protection vehicles. Explain all fire protection activity costs in the budget assumptions.

Community Facilities - Enter all costs associated with community facilities activities if the project category of the application is community facilities or includes community facilities activities as part of a comprehensive application. If there are administrative, planning, architectural, or engineering costs directly associated with a specific activity, include those costs on the appropriate line item. Explain all community facilities activity costs in the budget assumptions.

Commercial/Industrial Facilities - Enter all costs associated with commercial or industrial activities if the project category includes economic development activities as part of a comprehensive application. If there are administrative, planning, architectural, or engineering costs directly associated with a specific activity, include those costs on the appropriate line item. Explain all economic development activity costs in the budget assumptions.

Revolving Loan Fund Programs - List costs associated with setting up or retaining a revolving loan fund program. Explain all costs in the Budget Assumptions.

Public Services - Enter total public services costs. This refers to direct costs (including personnel, supplies, and travel) associated with the provisions of public services eligible under the CDBG Program.

Note: Not more than 15 percent of the total request may be used for public services unless approved by the CDBG Program.

Planning - Enter total planning costs. This refers to proposed planning costs directly related to the overall project proposal, and is not related to the CDBG Planning-Only Grant that has its own application cycle. The combined General Administration costs and planning costs may not exceed 15 percent of the total funding request.

Other - List costs associated with any other activity not listed above, such as clearance, flood control or drainage activities, or parking. Explain all activities in the budget assumptions.

Note: For Comprehensive Projects - Use line items that reflect activities included in the proposal.

Total Project Budget - Enter total for each source and a grant total on the line provided. These totals should match those amounts listed on the Project Summary form.

COMPONENT 3: OPERATIONS BUDGET FORM

Budget Year beginning date:					
REVENUES	1ST YEAR	2ND YEAR	3RD YEAR	4TH YEAR	5TH YEAR
1. User Fees					
a.					
b.					
2. Grants					
a.					
b.					
3. Municipal Budget Allocation					
4. Other Revenue Sources					
a.					
b.					
Total Annual Revenues					
OPERATING EXPENSES					
1. Salary, Wages, Benefits					
2. Insurance					
3. Utilities					
4. Operating Reserve					
5. Travel/Training					
6. Office Equipment/Supplies					
7. Marketing and Advertising					
8. Loan Repayments					
9. Repairs					
10. Services - Contracts					
11. Maintenance Supplies					
12. Replacement Reserve					
13. Other Expenses (specify)					
a.					
b.					
Total Annual Operating Expenses					

COMPONENT 3: OPERATIONS BUDGET FORM INSTRUCTIONS

An Operations Budget form is required for each community facility and public facility proposal and any other facilities-based project that will continue operating after CDBG funding is completed. The Operations Budget form consists of a summary of projected annual revenues and operating expenses for a five-year period following completion of the project.

Budget Year- Enter the beginning and ending dates of the Budget Year in the spaces provided. Start the budget year after project completion.

Instructions for the Operations Budget Form are as follows:

Revenues- Under Line 1, enter expected annual revenues from user fees, by type of user fee.
Under Line 2, enter expected annual grant amounts, by specific grant source.
Under Line 3, enter anticipated budget allocations from local units of government, by jurisdiction.
Under Line 4, detail Other Revenue Sources in the spaces provided.
Enter Total Annual Revenues.

Expenses- Under Line 1 through 12, enter the amounts of all expenses and contingency funds for items listed. Under Line 13, detail Other Expenses in the spaces provided.

Enter Total Annual Operating Expenses.

Total Annual Revenues should meet or exceed Total Annual Operating Expenses. If Total Annual Operating Expenses exceed expected Total Annual Revenues, describe in the budget assumptions how the facility will maintain operation.

Note: Explain each line item on the Operations Budget Form in the budget assumptions.

SECTION 4-D. PROJECT WORK PLAN

The Work Plan form should be supported with a Work Plan narrative to clarify the listed actions and provide additional details.

ACTIONS	DATES (FROM – TO)	RESPONSIBLE PARTY

-- SAMPLE --
TOWN OF COZY COVE
GENERAL PURPOSE GRANT APPLICATION

The Work Plan form should be supported with a Work Plan narrative to clarify the listed actions and provide additional details.

ACTIONS	DATES (FROM – TO)	RESPONSIBLE PARTY
PROJECT START UP		
Attend grant management workshop	04/15/2005	Consultant
Select administrative personnel	03/01/2005	Mayor
Establish files/admin. procedures	04/19/2005	Mayor
Negotiate contract with CTED	05/15/2005	Clerk/Consultant
Begin environmental review	05/25/2005	Consultant
Environmental release of funds	07/30/2005	CTED
PROJECT DESIGN		
Issue notice to proceed to engineer	08/03/2005	Council
Commence design	08/10/2005	Engineer
Complete project design	10/02/2005	Engineer
Approval of design by regulatory agency(ies)	11/30/2005	DOH
Prepare bid documents	01/01/2006	Engineer
ADVERTISE FOR CONSTRUCTION BID		
Review contract requirements	01/01/2006	Engineer & Town
Publish bid advertisement	10/02/2006	Clerk & Engineer
Open bids and examine proposals	11/24/2006	Clerk
Request construction debarment review	11/27/2006	Engineer
Select contractor and award bid	12/04/2006	Council
Conduct pre-construction conference	01/11/2007	Engineer & Town
Issue notice to proceed	02/11/2007	Mayor
Submit drawdowns and progress reports	Ongoing	Clerk
PROJECT CONSTRUCTION		
Begin construction	04/18/2006	Contractor
Monitor engineer and contractor	Ongoing	Mayor & Council
Conduct labor compliance reviews	Ongoing	Engineer
Hold construction progress meetings	Ongoing	Engineer
Final Inspection	09/24/2007	Engineer
Submit drawdowns and progress report	Ongoing	Clerk
PROJECT CLOSEOUT		
Conduct final public hearing	10/07/2007	Council
Submit final drawdown	11/03/2007	Clerk
Complete close-out performance report	11/15/2007	Engineer & Mayor
Submit final certification – OR		
Submit conditional certifications	11/15/2007	Engineer
Include project in audit	11/30/2007	Clerk

SECTION 4-E

CONTACT LIST FOR FUNDING RESOURCES, PARTNERS, AND INTERESTED PARTIES

[illegible]